

SENATE BILL 2274  
By McNally

AN ACT to amend Tennessee Code Annotated, Title 9, Chapter 21,  
Part 6, relative to capital outlay notes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 9, Chapter 21, Part 6, is amended by adding Sections 2 through 10 of this act:

Section 2. Prior to the issuance of capital outlay notes pursuant to part 6 of this chapter, the governing body of the local government shall adopt a resolution (herein referred to as the "initial resolution") determining to issue the capital outlay notes. The resolution shall state in substance:

(1) The amount or maximum amount of capital outlay notes to be issued;

(2) The public works project or projects for which the capital outlay notes are to be issued;

(3) The rate or maximum rate of interest which the capital outlay notes are to bear; and

(4) A brief concise statement that the capital outlay notes will be payable:

(A) from ad valorem taxes levied upon all the taxable property in the local government; or

(B) from taxes, and additionally secured by a pledge of revenues.

Section 3. The initial resolution, together with a notice in substantially the following form, shall be published in full once in a newspaper of general circulation in the local government:

The foregoing resolution has been adopted. Unless within twenty (20) days from the date of the publication hereto a petition signed by at least ten percent (10%) of the registered voters of the local government shall have been filed with the (official charged with maintaining the records of the local government) protesting the issuance of the capital outlay notes, such notes will be issued as proposed.

Section 4. (a) No election upon a proposition for the issuance of capital outlay notes shall be necessary:

(1) If the capital outlay notes are to be issued for water works or sewerage purposes and if the governing body, by a vote of three-fourths (3/4) of its members then in office, determine and declare in the initial resolution that an emergency requires the issuance of such notes, which determination and declaration shall be conclusive; or

(2) In any case where a petition has not been filed within the time limit specified in Section 3.

(b) If a petition protesting the issuance of the capital outlay notes signed by at least ten percent (10%) of the registered voters of the local government, determined as of the date of publication of the notice required in Section 3, which is liable to be taxed therefor, is filed with the official charged with maintaining the records of the local government within twenty (20) days from the publication of the initial resolution, then no capital outlay notes shall be issued without the assent of the majority of the registered voters in the local government, voting upon a proposition for the issuance of the capital outlay notes in the manner provided by this act. The county election commission shall certify to the local government within fifteen (15) days of receipt by the county election commission of any petition filed hereunder, the total number of registered voters as of the date of publication of the notice and the total number of valid signatures of registered

voters signing the petition. Registered voters shall not withdraw their signatures from a petition after signing the petition.

Section 5. If the governing body of the local government makes a decision to issue capital outlay notes for a public works project, and concurrently decides to hold an election for ascertaining the will of the electorate, then it need not adopt and publish an initial resolution and notice, but it shall adopt an election resolution in accordance with this act and it shall hold an election in accordance with the provisions of this act. A governing body may also hold an election for ascertaining the will of the electorate after adoption and publication of an initial resolution, even if no petition has been filed.

Section 6. If it is necessary to hold an election on the proposition to issue capital outlay notes or if the governing body decides to hold an election to ascertain the will of the electorate even if no petition has been filed, then the election shall be called by the governing body of the local government. The governing body shall adopt a resolution (herein called the "election resolution") which shall supersede by its adoption, and immediately upon its adoption, the initial resolution, if any. The election resolution shall state in substance:

(1) The amount or maximum amount of capital outlay notes to be issued;

(2) The public works project or projects for which the capital outlay notes are to be issued;

(3) The rate or maximum rate of interest which the capital outlay notes are to bear;

(4) A brief concise statement that the capital outlay notes will be payable:

(A) from ad valorem taxes levied upon all the taxable property in the local government or a portion of the local government; or

(B) from taxes, and additionally secured by a pledge of revenues;

(5) A proposition to issue the capital outlay notes as it is to appear on the ballot, including the maximum amount of such notes to be authorized and the public works project or projects for which such notes are to be issued; and

(6) That the county election commission is to hold the election.

Section 7. (a) For capital outlay notes issued by a local government which are payable from taxes levied upon all taxable property in the local government, any registered voter in the local government may vote in the election.

(b) Upon receipt of the statement of the votes in the election from the county election commission, the governing body at or before its next regular meeting shall again canvass the returns and determine and declare the results of the election.

Section 8. No suit, action or other proceeding contesting the validity of the note election shall be entertained in any of the courts of this state unless such suit, action or other proceeding is commenced within ten (10) days from the date of canvassing of the returns and the determination and declaration of the results thereof by the governing body, whichever is later.

Section 9. If an election on the proposition to issue capital outlay notes is had and a majority of the registered voters voting on the proposition do not vote in favor of the issuance of the capital outlay notes in question, then the proposition shall not again be the subject of an initial resolution until three (3) months have expired from the date of such election.

Section 10. No initial resolution shall be required for capital outlay notes issued under Tennessee Code Annotated, Sections 9-21-604, 9-21-605, 9-21-606, 9-21-607 and 9-21-611.

SECTION 11. This act shall take effect upon becoming a law, the public welfare requiring it.

